

**Inter-American Foundation
Meeting of the IAF Board of Directors
Monday, May 4, 2020**

The board of directors of the Inter-American Foundation (IAF) met via teleconference on May 4, 2020. Board Chair Eddy Arriola was joined by Vice Chair Juan Carlos Iturregui and members Kelly Ryan, Jack Vaughn, and Luis A. Viada. Advisory Council Chair Ambassador Watson also participated in the teleconference. IAF President and Chief Executive Officer Paloma Adams-Allen was joined by members of the management team, including, Lesley Duncan, chief operating officer; Daniel Friedman, managing director for government and external affairs; Marcy Kelley, managing director for programs; Aswathi Zachariah, general counsel; Marko Dolan, deputy managing director for programs; Amber Forbes, senior advisor; and Karen Vargas, executive assistant.

I. CALL TO ORDER

Chairman Arriola congratulated the IAF management team for how they have navigated the COVID-19 pandemic and noted how impressed he was with the agency's ability to quickly get the full staff working remotely, which he called a testament to the IAF's nimble and adaptive ethos. He also thanked his fellow board colleagues for staying active and engaged. The rules for the meeting were provided by the IAF's general counsel, Aswathi Zachariah, and Chairman Arriola called the meeting to order at 09:30 a.m.

II. APPROVAL OF THE MINUTES

The minutes of the Nov. 19, 2018 board meeting were approved and adopted by a unanimous voice vote.

III. AGENDA OVERVIEW AND UPDATES

The IAF President and CEO, Paloma Adams-Allen, began by reiterating Chairman Arriola's gratitude to the IAF management team for their leadership and indomitable work ethic. She shared the following three focus areas for the meeting: (1) IAF operations during the COVID-19 pandemic; (2) efforts to advance non-COVID related priorities; and (3) contingency planning and 2020 operations and programming scenarios.

Adams-Allen stated that the IAF is progressing as an organization despite the challenges brought on by the COVID-19 pandemic. At the date of the meeting, there had been no reports of a positive diagnosis for IAF colleagues or their immediate family members. IAF staff remain dedicated and are working harder than ever to support each other and advance the mission. The IAF has a four-pronged strategy to ensure the smooth continuation of operations during the pandemic: (1) Adopt a people first stance; (2) Conduct rapid outreach efforts to assess grantee needs and develop a programmatic strategy; (3) Keep information flowing with the U.S. Congress and interagency; and (4) Ramp-up contingency planning on both the operational and programmatic fronts.

To conclude, Adams-Allen shared several bright spots including how IAF staff have showcased their adaptability and teamwork in the face of the pandemic and the ability of the agency to shift to highly effective remote work. As well as a deep sense of validation from having to test, in real time, the IAF's nimbleness and strong connection to the communities where we work. And lastly, getting to witness the resiliency, courage, and creativity of IAF grantees stepping up to support and serve their communities.

IV. COVID-19 IMPACT AND RESPONSE

Next, the managing directors provided updates on the impact of COVID-19 on their respective offices and teams, as well as their response and contingency plans.

A. Operational and Financial

The IAF's chief operating officer, Lesley Duncan, enumerated the steps taken to ensure a smooth transition to remote work for all staff, including the provision of technical equipment and increasing bandwidth for the IAF network. Next, Duncan recapped the fiscal year 2020 (FY20) funding scenarios, emphasizing that the final FY20 funding total of \$49.5 million¹, is the largest amount of funding in agency history. Duncan provided the breakout totals for the IAF's FY20 operating plan and noted the marked reduction in the percentage of implementation costs relative to total budget. And, further explained that the percentage of implementation costs is lower because, while the total budget has increased, the IAF's operational structure has remained constant. Finally, Duncan reported that the agency may find itself with greater-than-normal carryforward funds for the next fiscal year given the impact on IAF's grantmaking as we address emerging COVID-19 response needs from grassroots partners.

Responding to inquiries from board members, Duncan explained that Social Protection Trust Fund (SPTF) monies are held in an IAF bank account with the U.S. Treasury. We currently have \$11.3 million in the account. The funds do not expire but must be used toward grants only. Duncan also reminded the board that while the U.S. government has several compliance and auditing requirements, federal agencies traditionally do not collect or report agency-level overhead costs. Notwithstanding, we are confident that IAF is a lean operation with low overhead costs. She noted the two figures the IAF calculates, one takes into account counterpart commitments (<10%), the other accounts for only IAF expenditures (~15%). In either case, the IAF's implementation costs are low and comparable to other private foundations.

B. Programming and Learning and Impact

Raquel Gomes, managing director for learning and impact, provided highlights from the latest reports and news about the pandemic's impact on Latin America and Caribbean, which point to

¹ The IAF's FY20 budget includes \$2.3 million in carryforward funds, a \$37.5 million appropriation, a pending FY19 \$10 million USAID transfer for Central America, and an expected \$1 million USAID transfer for the Eastern Caribbean.

(1) vast underreporting in cases and deaths; (2) the fact that the pandemic has yet to peak; and (3) a grim economic prognosis. The International Monetary Fund said in mid-April that “the region faces the specter of another ‘lost decade’” of development gain². In light of this sobering context, the IAF proactively conducted a quick assessment with all grantees on the pandemic’s impact on their projects, organizations, and communities. Ninety-percent of the IAF’s 278 grantees responded—their responses underscore that they are: (1) overwhelmingly concerned about the economic fallout of the pandemic; (2) preoccupied with rising domestic violence; and (3) worried that limited access to healthcare and supplies heightens the risks for their communities. As for their own organizations, grantees reported varying impacts depending on size, location, and maturity. Notwithstanding, most grantees described facing delays, needing to make strategic adjustments, and noted connectivity constraints as their main challenge.

Marcy Kelley, managing director for programs, shared three examples of how IAF grantees are already responding to the COVID-19 pandemic through mask-making and or food preparation and distribution. The IAF’s draft COVID-19 strategy consists of the following three pillars: (1) providing immediate response; (2) investing in short-term recovery; and (3) promoting medium-to-longer term resilience. Response relates to addressing immediate health and safety concerns. Recovery focuses on getting folks back to work, addressing food security, and rebuilding local livelihoods, etc. And, resilience continues to build on short- and medium-term recovery with an eye to sustainability. Building on the information gathered from grantees through the rapid assessment, the IAF is implementing the following five tactics: (1) tailoring the grant process for emergency response; (2) adapting programmatic engagement with grantees without losing the robust oversight and grant accompaniment integral to the IAF’s community-led approach; (3) exploring partnerships and strategic grantmaking; (4) identifying and supporting opportunities for South-South collaboration through our virtual platform-RedColaborar; and (5) facilitating monitoring and learning from COVID-19 specific actions, gathering data and grantee stories.

Next, Marko Dolan, deputy director for programs, further detailed what the IAF’s COVID-19 strategy means in practice. He noted that thus far, the IAF has already amended 85 grants for a \$1.2 million investment in COVID-19 related programming, in addition to having adapted grantmaking and monitoring processes to allow for virtual orientations, monitoring, and audits. Moreover, the IAF is assessing evolving COVID-19 impacts and responses and discussing strategies and contingency plans for advancing grantmaking and portfolio management during the global pandemic

Board members saluted the IAF’s thoughtful and expedient COVID-19 programmatic strategy, noting that the flexibility to reprogram and quickly process grant amendments is a testament to the IAF’s responsiveness and agility.

C. Congressional

² Werner, Alejandro. “Economic Policy in Latin America and the Caribbean in the Time of COVID-19.” IMF Blog, 16 Apr. 2020, blogs.imf.org/2020/04/16/economic-policy-in-latin-america-and-the-caribbean-in-the-time-of-covid-19/.

Daniel Friedman, managing director for external and government affairs, briefed the board of directors on the consequence of the COVID-19 pandemic on IAF's congressional affairs. Friedman emphasized that IAF staff continue their robust engagement with Congress, and that the pandemic is a recurring theme in their conversations. He noted Adams-Allen's April 1 briefing with the House Foreign Affairs Committee/SFOPs staff, where she highlighted the programmatic, financial, and operational impact of the COVID-19 pandemic, as well as IAF's current and proposed response. Subsequently, congressional staff from both chambers, have reached out to the IAF to discuss the potential inclusion of the agency in a supplemental appropriations bill focused on COVID-19 response, though the likelihood of such a bill and the agency's inclusion are still unknown.. Lastly, Friedman reminded participants that one of the main consequences of the pandemic has been the indefinite postponement of this year's congressional staff delegation that was scheduled to take place in March.

V. NON-COVID 19 UPDATES

Adams-Allen reported that beyond responding to the current and expected repercussions of the COVID-19 pandemic on IAF operations, staff, and programs, the management team and staff continue to advance and deliver on other agency priorities. She previewed the: (1) restarting of funding in the Northern Triangle countries of Central America; (2) nomination of Ambassador Carlos Trujillo (current U.S. Permanent representative to the OAS) to serve as both Assistant Secretary of State for the Western Hemisphere and to the IAF Board of Directors; and (3) welcoming Simone Gourguechon as the newest member of the IAF Advisory Council before handing it over to office directors for updates from their respective offices.

A. Programs

Grantmaking and Portfolio Management. Kelley began by stating that program staff continue to monitor the IAF's active portfolio of grants, and are reviewing and approving proposals that completed in-country prescreening prior to the suspension of travel due to the pandemic. The IAF expects to fund 160 new grants and or grant amendments (a 33 percent increase from previous years). In the event that the funding target is not met, the IAF will carry forward appropriated funds into the next fiscal year.

Northern Triangle/Central America. Next, Kelley reiterated that the IAF expects to resume funding in the Northern Triangle countries of Central America through its direct FY20 appropriations as well as the repurposed FY19 USAID COVID relief transfer for all Central America.

Strategic Initiatives. Next, Dolan provided updates on two of the IAF's strategic programming initiatives: (1) support to Venezuelan migrants and (2) disaster resilience work in the Eastern Caribbean. The IAF's program supporting communities receiving Venezuelan migrants will double in FY20 and will also expand into Argentina and Chile. This year the IAF expects to launch a partnership with USAID to build community resilience in the Eastern Caribbean. The IAF will

receive a \$1 million transfer from USAID, which will be more than matched by IAF and will be used to fund six new grants in St. Lucia, St. Vincent and the Grenadines, and Antigua and Barbuda during FY20. An additional six to eight grants will be funded in FY21 and will include funds received through a private donation.

1892 Consultancy. Kelley concluded by sharing that IAF's recent grants process consultation with 1892 has concluded and that the programs office is currently reviewing the report and making plans to implement recommendations. Some highlights from the report include that 70 percent of IAF grant processes occur outside of the current web-based grants management system and that there is a need to better align the grant application with the interval review and analysis process. One recommendation that the IAF is already thinking about is how to adjust processes based on grant size, we currently only have a differentiated process for grants under \$50,000 but grants vary in size from \$50,000 to \$400,000.

B. Congressional

Friedman reported that this year's House Foreign Affairs Committee (HFAC) letter of support for the IAF, which was co-sponsored by Representatives Eliot Engel (D-NY) and Christopher Smith (R-NJ), HFAC co-chairs, included a recommendation for a \$37.5 million FY21 appropriation for the IAF with a \$7 million transfer from USAID. And, noted that letter boasted 41 signatures, double the number of signatures in previous letters.

He also mentioned that on March 4, IAF President and CEO, Paloma Adams-Allen, testified before the bipartisan House of Representatives' Tom Lantos Human Rights Commission on the IAF's work in Haiti and the human rights benefits of the IAF's development model. As a result, members of Congress cited the IAF's work as a rare "success story" in the Haitian context and were interested to learn more about the agency's approach.

Board members joined in commending the full External and Government Affairs team for their continued excellent Hill engagement.

C. Financial and Operations

Duncan reported that the agency's typical financial and operational functions are ongoing despite the COVID-19 pandemic. In addition to supporting a smooth transition to remote work and implementing the FY20 spend plan, the IAF is: (1) negotiating the transfer process for the FY19 Central America transfer; (2) ensuring spending obligations are finalized by the end of the fiscal year; (3) advancing procurements; and (4) reporting on agency transparency and compliance actions. Next, Duncan briefed the board on the agency audits, noting that the Purchase Card audit has been completed with no findings and that the FY20 Federal Information Security Management Act audit and the Financial audit are both set to kick-off this quarter.

Duncan stated that even in this unique operating environment, the IAF is successfully recruiting for numerous positions, including a second Congressional and Legislative Affairs Specialist, Foundation Representatives, Program Staff Assistants, and a Monitoring, Evaluation, and Learning Specialist.

Board members noted the incremental increase in staff positions and asked about the agency's optimal staffing level. Duncan responded that the majority of personnel actions previewed are for replacing outgoing staff. She noted that the IAF does not have a forecasted staffing plan for the next five years, but that staffing changes have been thoughtful and commensurate with agency changes while remaining true to the IAF ethos of staying lean and agile. For example, as the agency's funding increases, as it has in recent years, the agency adjusts program and support staff accordingly. And, recognizing areas of untapped potential, the IAF has in recent years, added an Office of Learning Impact and is currently standing up a Partnerships Unit, both have required additional staffing. Nevertheless, IAF keeps a small staffing footprint, well below what statutory authority, which allows for a staff of one-hundred.

D. 50th Anniversary

Adams-Allen stated that despite the COVID-19 pandemic, the IAF's plans to commemorate the 50th anniversary continue; however, we are rethinking how we celebrate in an appropriate manner. It is important to note that while it is unfortunate that we are facing these difficult times — it is also an opportunity to highlight the effectiveness and agility of the IAF's responsive model with deep connection to and ownership at the community-level.

Next, Amber Forbes, senior advisor, provided an update on the progress of the IAF's 50th anniversary celebrations. She began by reiterating the committee structure³ established last year and highlighted how the Grants and Communications committees had been instrumental in laying the groundwork for success in the first year. This year, the Events and Fundraising committees will ramp up their externally facing efforts, and the Grants and Communications committees will merge into one committee focused on elevating IAF outreach efforts, substantiated by the success and impact of our grantmaking. The Alumni committee is similarly ramping up efforts, engaging former IAF staff, fellows, and others in amplifying the events, fundraising, and communications campaigns.

Events. The Smithsonian Folklife Festival, which would include the participation of several IAF grantees, has been indefinitely postponed due to the COVID-19 pandemic. The IAF is exploring virtual celebration options and reviewing successful models as it designs an appropriate capstone event to commemorate the 50th Anniversary. The event would likely include an awards component that recognizes congressional champions, but the exact timing has not yet been determined.

³ In FY19, the IAF created five committees that would support the 50th Anniversary Campaigns. All staff participate and contribute to the committees that each focus on one of the following areas: Communications, Fundraising, Events, Grants, and Alumni.

Fundraising. The IAF's 2019 Giving Tuesday Campaign raised nearly \$8,500 from 27 unique individual donors. While the IAF was just shy of its ambitious \$10,000 goal, we are incredibly proud that the campaign raised more than ten times the amount raised in previous year and boasted 100 percent board participation. The IAF is planning to run two virtual fundraising campaigns this calendar year and is exploring the possibility of a joint-campaign with a current strategic partner to help bolster visibility and raise awareness of the IAF's work.

Communications. Capitalizing on the 50th Anniversary as an opportunity to elevate the agency's communications and outreach activities, the IAF has developed a messaging campaign for the duration of the anniversary celebration. The IAF releases a monthly bulletin and is delivering timely messaging across digital platforms on a specific monthly theme (i.e. during March the IAF's communications focused on Women). The messages are substantiated by IAF champions, including alumni voices. We welcome participation of board and advisory council members, and would be happy to help craft and place an Op-Ed, blog, or opinion piece.

D. Strategic Partnerships

Marcia Cota, senior advisor for strategic partnerships, reported that the IAF is finalizing a strategy for public-private partnerships that will outline the IAF's approach to partnering and donor engagement. The strategy will also provide standard operating procedures and guidance for staff to support and engage in partnership development and will institutionalize donor engagement. The strategy will be finalized in the coming weeks and Cota will schedule a follow-up consultation with interested board and advisory council members. Cota concluded by sharing progress and developments from the first half of FY20. So far, the IAF has received donations totalling \$175,900⁴, leveraged an additional \$534,000 from a partnership with the International Community Foundation, and is engaging with 35 potential donors and partners from whom we anticipate unlocking an additional \$1.5 million. A new exciting opportunity is the Philip Stephenson Foundation, which supports marine conservation efforts in the Caribbean, and is interested in donating to the IAF to support disaster resilience and marine preservation work in St. Vincent and the Grenadines. Cota concluded by sharing that the IAF submitted the IAF-MOTT Partnership for Developing the Community Foundation Sector in Mexico for consideration in this year's P3 Impact Award⁵. Board members congratulated Cota on the excellent progress so far and expressed enthusiasm for reviewing the partnership strategy soon.

E. Ethics

General Counsel Aswathi Zachariah previewed a forthcoming proposal to incorporate an ethics training component to board meetings. The Office of General Counsel would provide a 20-to-30-minute briefing at each of the IAF's board meetings, beginning with the Fall 2021 board and

⁴ During the first half of FY20, the IAF received \$100 from Mott Foundation for the Partnership to Support Community-Foundation Sector in Mexico; \$65.8K from a private donor; and raised \$10K through Giving Tuesday fundraising efforts.

⁵ The P3 Impact Award was created by Concordia, the University of Virginia Darden School Institute for Business in Society, and the U.S. Department of State's Office of Global Partnerships to recognize and honor leading public-private partnerships (P3s) that improve communities and the world. (Source: <https://www.concordia.net/p3impactaward/>).

advisory council meeting. The interactive training session would be used to highlight salient aspects of ethics laws and regulations, how ethics intersects with IAF business on a day-to-day basis, how we work to mitigate conflicts of interest, and nuanced components of the agency's ethics practice, among others. This annual training approach will satisfy the board's ethics training requirements (set by the Office of Government Ethics) and provide an opportunity for a more engaged and tailored ethics dialogue. This approach could also satisfy ethics training requirements for Advisory Council members should they be able to attend each of the sessions. An option for online training would remain available for members who are unable to attend the in-person sessions.

Board members welcomed Zachariah to the IAF and expressed enthusiasm for working closely with her and the Office of General Counsel. They also stated that they were looking forward to receiving the proposal for incorporating an ethics component to the meetings.

VI. ADJOURNMENT

Chairman Arriola ended by lamenting that we could not be together for this meeting or the annual oversight trip. He thanked the management team for how they have navigated the COVID-19 pandemic. Without any new business to discuss, Arriola adjourned the meeting at 11:59 a.m.